

RECORDATION NO. 24869 FILED

MAR 23 '04 2:58 PM

SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

March 23, 2004

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Schedule #1 to Full Service Master Lease Agreement, dated as of November 11, 2003, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor:	Midwest Railcar Corporation 3 Professional Park Drive, Suite B Maryville, Illinois 62062
Lessee:	Dakota, Minnesota & Eastern Railroad Corporation 140 N. Phillips Avenue Sioux Falls, South Dakota 57104

Mr. Vernon A. Williams
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A description of the railroad equipment covered by the enclosed document is:

28 boxcars: DME 5700 - DME 5727.

A short summary of the document to appear in the index is:

Memorandum of Schedule #1 to Full Service Master Lease Agreement.

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm
Enclosures

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SURFACE TRANSPORTATION BOARD

MIDWEST RAILCAR CORPORATION

**MEMORANDUM OF SCHEDULE #1 TO FULL SERVICE
MASTER LEASE AGREEMENT**

between

MIDWEST RAILCAR CORPORATION,

as Lessor

and

DAKOTA, MINNESOTA & EASTERN RAILROAD

as Lessee

MEMORANDUM OF SCHEDULE #1 TO FULL SERVICE MASTER LEASE AGREEMENT

THIS MEMORANDUM OF SCHEDULE #1 TO FULL SERVICE MASTER LEASE AGREEMENT is effective as of November 11, 2003, by and between MIDWEST RAILCAR CORPORATION, an Illinois Corporation ("Lessor"), and DAKOTA, MINNESOTA & EASTERN RAILROAD, a Delaware Corporation ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor, certain railcars as described on Exhibit A attached hereto and made a part hereof, all as more particularly described in that certain Schedule #1 dated November 11, 2003 between Lessor and Lessee to the Full Service Master Lease Agreement dated as of November 11, 2003 between Lessor and Lessee (the "Lease").
2. The Lease shall be effective as of the execution date thereof and the term of the Lease with respect to each car shall be as set forth in Schedule #1.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Schedule #1 to Full Service Master Lease Agreement to be executed as of the date first above written.

MIDWEST RAILCAR CORPORATION
Lessor

By: _____

Richard M. Murphy
President & CEO

DAKOTA, MINNESOTA & EASTERN RAILROAD

By: _____

Name: JOHN B GABEL

Title: Gen mgr Railcar Fleet

STATE OF Illinois, CITY OF Maryville, TO WIT:

On this 1st day of December, 2003 before me appeared, Richard M. Murphy to me personally known, who being by me duly sworn, says that he is the President of MIDWEST RAILCAR CORPORATION, an Illinois Corporation, that said instrument was signed on December 1, 2003 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Rachel A. Mayhew
Notary Public

[Notarial Seal]

My commission expires: 5/15/04

"OFFICIAL SEAL"
RACHEL A. MAYHEW
Notary Public, State of Illinois
My Commission Expires 5/15/2004

STATE OF South Dakota, CITY OF Sioux Falls, TO WIT:

On this 26 day of November, 2003 before me appeared, John B. Gabel, to me personally known, who being by me duly sworn, says that he is a Gen. Mgr. Freight of DAKOTA, MINNESOTA & EASTERN RAILROAD, a Delaware Corporation, that said instrument was signed and sealed on November 26, 2003 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Linda M. Arter
[Notary Seal] NOTARY PUBLIC SOUTH DAKOTA [Seal]

Linda M. Arter
Notary Public

My commission expires: 01/09

DESCRIPTION OF RAILCARS

Up to twenty-eight (28) 60ft., 100-ton boxcars with the following reporting marks:

DME 5700 - 5727, inclusive